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ANNUAL REPORT
2002 - 2003

10th ANNUAL REPORT 2002 - 2003**Board of Directors :**

Shri Krishnakant	Chairman	
Shri P.B.Arora	Vice Chairman and Managing Director	(Up to 18.08.03)
Shri A.C. Manchanda	Managing Director	
Shri V.G.Dharwarkar	Independent Director	
Shri Navin Patel	Independent Director	
Shri K.K.Mathur	Independent Director	(Up to 29.07.03)

Registered Office

7th Floor, Manubhai Tower
Sayajigunj
Baroda – 390 005

Registrar and Share Transfer Agent :

Intime Spectrum Registry Ltd.
201, Sidcup Towers, Race Course,
Vadodara 390 007
Phone 0265 – 2332474
Vadodara@Intimespectrum.Com

Auditors

K. Parikh & Co.
Chartered Accountants
Baroda

Bankers

Central Bank of India
HDFC Bank Ltd.
Citi Bank, N.A

PARTICULARS**PAGE NO.****Tenth Annual General Meeting**

Notice	2	Date : 27th September, 2003
Directors' Report	7	Day : Saturday
Auditors' Report	15	Time : 11.00 a.m.
Balance Sheet	19	Place : Auditorium of Central
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NOTICE

Notice is hereby given that 10th Annual General Meeting of Members of Asian Oilfield Services Ltd. will be held on Saturday, 27th September, 2003 at 11.00 a.m. at the Auditorium of Central Gujarat Chamber of Commerce, Race Course, Baroda to transact the following business.

Ordinary Business

1. To receive, consider and adopt the Profit & Loss Account for the Year ended 31st March, 2003 and Balance Sheet as of that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors of the Company and to fix their remuneration.

Special Business

3. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Venketesh Dharwarkar who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, subject to retirement by rotation."
4. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Navinbhai Patel who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, subject to retirement by rotation".
5. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Shri A.C. Manchanda as Managing Director of the Company, for a period of 5 years from 01.02.03 to 31.01.2008 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri A.C. Manchanda, the draft whereof is placed before this meeting which is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said reappointment and/or remuneration and /or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act 1956 including any statutory modification or reenactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendment thereto as may be agreed to between the Board and Shri A.C. Manchanda".

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"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- 6 To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198 ,269,309 and 310 read with Schedule XIII and all other applicable provisions if any, of the Companies Act,1956 (including any statutory modification(s) or reenactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Shri Krishnakant as the Executive Chairman of the Company, for a period of 5 years from 18.06.03 to 17.06.2008 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Krishnakant as Executive Chairman, the draft whereof is placed before this meeting which is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said reappointment and/or remuneration and /or agreement ,subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act 1956 including any statutory modification or reenactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendment thereto as may be agreed to between the Board and Shri Krishnakant".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act,1956 [including any statutory modification(s) or reenactments thereof for the time being in force], the Securities Contract (Regulation) Act,1956 and Rules framed thereunder, Listing Agreements and all other applicable rules, regulations and guidelines and subject to the approval(s) , consent(s) permission (s) or sanction(s) of the Securities and Exchange Board of India, Stock Exchanges where the shares of the Company are listed and other appropriate authorities, institutions or regulators as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any such authority while granting such approval(s), permission(s) or sanction(s) which be agreed to by the Board of Directors of the Company (hereinafter referred to as" the Board" which term shall be deemed to include any Committee thereof constituted by the Board), the consent of the Company, be and is hereby accorded to the Board to delist the equity share of the Company from Vadodara Stock Exchange Ltd, and/or The Ahmedabad Stock Exchange and/or The Delhi Stock Exchange Association Ltd."

For and on behalf of the Board

Date : 18.08.2003
Place : Baroda

**Krishnakant
Chairman**



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NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company, will remain closed from Monday, the 22nd September, 2003 to Saturday, the 27th September, 2003. (Both days inclusive).
3. Shareholders are requested to:
 - (a) bring their copy of the annual Report at the meeting.
 - (b) send all communications relating to their shareholding, quoting Folio No, at Registered Office or its Registrar and Share Transfer Agents viz. Intime Spectrum Registry Ltd, at their address at 201, Sidcup Towers, Race Course, Baroda.
4. MEMBERS DESIROUS OF OBTAINING ANY INFORMATION WITH RESPECT OF THE ACCOUNTS OF THE COMPANY ARE REQUESTED TO SEND THEIR QUERIES IN WRITING TO THE COMPANY AT IT'S REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Item Nos. 3 & 4**

The Board of Directors of the Company have appointed Shri. Venkatesh Dharwarkar Shri K. K. Mathur and Shri Navin Patel as Additional Directors of the Company, with effect from 31.10.2002 and pursuant to Article No 114 of Association of the Company and in terms of Section 260 of the Companies Act, 1956, they hold office of Additional Directors up to the date of the ensuing Annual General Meeting of the Company. Shri K. K. Mathur ceased to be Director whereas for Shri Venkatesh Dharwarkar and Shri Navin Patel, the Company has received notices in writing with the requisite deposits from members, under Section 257 of the Companies Act 1956 signifying their intentions to propose their appointment as Directors of the Company. Consent in writing have been received from them to act as Directors of the Company, if appointed.

Shri Navin Patel is an Arts graduate with having overall 28 years of business experience whereas Shri. Venkatesh Dharwarkar is Bachelor of Commerce and Bachelor of Law, has retired as a Assistant Commissioner of Income Tax, now professing Tax advocacy, possess overall 34 years of experiences in the field of Taxation and related Laws.

The Board feels that their knowledge and wide and varied business experiences would immensely benefit the Company on their appointments as Directors of the Company.

None of the directors except Shri Venkatesh Dharwarkar and Shri Navin Patel, are interested or concerned in the said Resolution.

The Board recommends the resolution for adoption.

ITEM NO. 5, & 6

- (i) Shri A.C. Manchanda is associated with the Company since its incorporation and working as a Managing Director of the Company since 1993. His last tenure of Managing Directorship expired on 31.01.2003. The Board of Directors at their meeting held on 31.01. 2003 have reappointed him as a Wholtime Director on a monthly remuneration of Rs.25000/- Considering of his valuable contribu-

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tions and efforts to bring the Company to the present stature, the Board of Directors redesignated him as Managing Director and approved and confirmed tenure of his Managing Directorship for a period of 5 years from 01.02.2003 with monthly increased salary of Rs.30,000/- in the grade of 30,000-2,000-38,000 with perquisite of to the tune of 40% of basic salary, drawable under any heads. as may be approved by the Board.

- (ii) Shri Krishnakant is Master of Science, has extensive and rich experience of more than 45 years in the field of Oil Exploration and field service, has retired from the post of Regional Director of Eastern Region, Oil and Natural Gas Corporation Ltd., (O N G C), associated with the Company in the capacity of Promoter and acting as Executive Chairman of the Company from 1994. Considering his significant contributions in enabling the Company to achieve remarkable ladder of success and in order to continue to avail his expertise, rich experience, business acumen and vision, the Board of Directors of the Company have reappointed Shri Krishnakant as the Executive Chairman for a period of 5 years effective from 18.06.2003 on monthly salary of Rs.32,000/- in the grade of 32,000-2500-42,000 with perquisites to the tune of 40% of basic salary, drawable under any head as may be approved by the Board.

Other Facilities

- i. Car : Free use of Company's car with Driver. For Use of Company's car for personal purpose, they shall be billed by the Company.
- ii. Telephone : Free telephone connection at his residence. However long distance personal calls shall be billed by the Company.
- iii. Leave : Leave with full pay and allowances as per the Leave Rules of the Company as applicable to Senior Management Staff. However encashment of unavailed privilege leave at the end of the tenure, shall be allowed to be encashed by the Company.
- iv. Reimbursement : Reimbursement for all out of pocket expenses incurred by them in the course of Company's business including traveling and entertainment expenses.
- v. Gratuity : Payable at a rate not exceeding one month's Salary for each completed year of service.

Reappointment of Shri A.C.Manchanda and Shri Krishnakant as Managing Director and Executive Chairman respectively and payment of remuneration to both of them, do not require the approval of the Central Government under Section 269 of the Companies Act, 1956, since their reappointments and remuneration payable to them, are in within the terms specified in Schedule XIII to the said Act.

The Explanatory statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956.,

Draft Agreements will be kept open for inspection to the members at the Registered Office of the Company during 11.00 a.m. to 3.00 p.m. on any working day except Sunday.

Except Shri A.C.Manchanda and Shri Krishnakant, none of the other Directors are, in any way concerned or interested in the Resolutions.

The Board recommends the resolutions for adoption.

Item No. 7

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, (hereinafter referred to as the "Delisting Guidelines")



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incorporating, among other, provisions for delisting of securities of a body corporate voluntarily by a promoter or an acquirer or any other person from the Stock Exchanges.

Presently, the Company's Equity Shares are listed on the following Stock Exchanges:

- I. The Stock Exchange, Mumbai (BSE)
- II. Vadodara Stock Exchange Ltd.(The Regional Stock Exchange)
- III. The Delhi Stock Exchange Association Ltd.
- IV. The Ahmedabad Stock Exchange

With the extensive networking of the Stock Exchange Mumbai(BSE) and the extension of the BSE terminals to other cities as well, investors can have easy access to online delist dealings in the Company's equity shares and no transactions has been taking at Vadodara Stock Exchange Ltd., The Ahmedabad Stock Exchange and The Delhi Stock Exchange Association Ltd.

The Company's Equity shares are one of the scripts which the Securities and exchange Board of India (SEBI) has specified for settlement only in dematerialized form by all investors. It is also observed that the listing fee paid to stock exchange other then BSE is disproportionately high compared to the no trading volumes of the Company's securities on those Exchanges. The Company has proposed this resolution, which will enable it to delist its equity shares at any time in future, from all or any of the following stock exchanges.

- I. Vadodara Stock Exchange Ltd.(The Regional stock Exchange)
- II. The Delhi Stock Exchange Association Ltd.
- III. The Ahmedabad Stock exchange

The Company's equity share will continue to be listed on the Stock Exchange, Mumbai after the proposed delisting.

None of the Directors of the Company is in any way, concerned or interested in this resolution.

Your Directors commend the special resolution for members approval.

For and on behalf of the Board

Date : 18.08.2003

Place : Baroda

**Krishnakant
Chairman**

10th ANNUAL REPORT 2002 - 2003**DIRECTORS' REPORT**

To,
THE SHAREHOLDERS,

Your Directors have great pleasure in presenting 10th Annual Report of the Company. Following figures summarise the financial results of the Company for the year ended 31st March, 2003.

FINANCIAL HIGHLIGHTS	(Rs. In lacs)	(Rs. In lacs)
	<u>31.03.2003</u>	<u>31.03.2002</u>
Gross Income	568.16	364.74
Gross Profit before Depreciation & Interest	146.08	33.25
Depreciation	56.96	19.98
Interest and Financial Charges	6.52	5.82
Profit before Tax	82.60	7.45
Provision for Taxation	9.71	0.76
Net Profit after Tax	72.89	6.69

DIVIDEND

With a view to conserve cash resources for the future growth and working capital requirements for the coming projects, your Directors do not recommend payment of dividend to the Shareholders for this year.

OPERATIONS IN RETROSPECT

During the year under review, your Company fetched Gross Income of Rs.568.16 lacs against Rs. 364.74 lacs of previous year whereas the Net Profit reached to Rs. 72.89 lacs against Rs.6.69 lacs of previous year which show phenomenal rise.

During the year under review, the Company executed a challenging assignment of acquiring the Seismic data for Premier Oil in the North Eastern Region of the Country, in addition to completing the Shot Hole Drilling Seismic job Services in Tripura Project of ONGC.

The 50 Ton work over Rig i.e. Wilson-Mogul 42B, was refurbished and was made capable of undertaking a drilling operation in the CBM Project at Asansol in a block for which License of operation has been awarded to GEECL of Calcutta by the Govt of India. The Rig remained in operation till the end of the Financial Year.

MANAGEMENT DISCUSSION & ANALYSIS**Introduction:**

With the growth of Industry as a whole in the Country, the requirement of Petroleum in on the increase every year and a large portion of our total requirement is imported. Therefore the search of New Oil and Gas fields is going on in the Country and is to be continued for the decades to come.

Our Company is engaged in a very intensive manner, in helping the exploratory activities in the field of Petroleum in the Country and hence there is a big scope expansion in our activities in the times to come. With the perseverance with which the Company is perusing our activities, it is hoped to achieve a formidable success.

Industry Structure and Developments:

Your Company is one of the few in India, offering the special type of service in the Petroleum Industry in the Country and its market share is increasing steadily every year as is evident from the Directors' Report.



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Our Operations:

The Company is in the business of Geophysical Data Acquisition for exploration of Petroleum and are regularly trying to improve on the technology applied.

Technology:

The Company is continuously trying to improve the technology and in this effort, have made a collaboration with the internationally recognized Company viz Geophysical Institute of Israel (GII).

Internal Control and its Adequacy:

For effective inter departmental communications and follow up process, high speed computers, requisite soft wares have been installed. The system of internal control provides updated accounting records, the reliability of financial information essential for running business. The Company has clearly defined organization structure and delegated authority. Sufficient control is exercised through monthly, quarterly and annual business review by the management.

Financials:

The detailed financial analysis of the Company's operations for the year, is given herein-above and therefore the same is not repeated.

Risk and concerns:

There are not many risks in our business as long as the requirement of Petroleum is concerned, however the basic concern is the competition in our field of activities as well as the seasonal nature of the job. Also as the search for hydrocarbon in the easily accessible areas is already reached its culmination, the Company has to go into more inaccessible and logistically difficult areas like deep in the deserts or up in the hills and mountains or in the partially water logged areas. However the Company is continuously trying to gear itself with technology to perform better every day.

Future Strategy:

In addition to the Oil industry, the Company is making serious studies to enter areas like micro hydroelectric power projects and have made considerable headway in forcing our entry into these areas. Thus with sustained effort, the Company hopes to venture into this area where, though there is a gestation period, yet once the project is in operation, the returns are for much longer duration.

FUTURE PROSPECTS

The Company is trying to diversify its activities in some other areas also, for which efforts are on and some concrete shape will emerge in another few months' time.

DIRECTORATE

In order to implement provisions of Corporate Governance, Shri V.G. Dharwarkar, Shri Navin Patel and Shri Kishan Kumar Mathur were appointed as additional Directors on the Board of Directors of the Company. However due to preoccupation, Shri Kishan Kumar Mathur ceased to be the Director of the Company. The Board hopes that with their association, the Company would be immensely benefited.

Shri Pratap B Arora resigned as a Vice Chairman and Managing Director and Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed
- ii) The Directors have selected such accounting policies and applied them consistently and made